



Indiana Manufacturers Association, Inc.

One American Square, Suite 2400, Box 82012 • Indianapolis, IN 46282 • 317-632-2474 • 800-462-7762 • Fax: 317-231-2320

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LSA Document #08-764 (Antidegradation)
MaryAnn Stevens
Rules Development Branch
Office of Legal Counsel
Indiana Department of Environmental Management
100 North Senate Ave.
MC 65-41
Indianapolis, Indiana 46204-2251

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VIA FACSIMILE and Electronic Mail

Subject : Financial Impact Analysis on the Regulated Community of Proposed New Rules and Amendments to Rules Concerning Antidegradation Standard and Implementation Procedures

Dear Ms. Stevens:

The Indiana Water Quality Coalition and the Indiana Manufacturers Association submit the following supplemental fiscal analysis comments and suggestions to the "Development of New Rules and Amendments to Rules Concerning Antidegradation Standards and Implementation Procedures," LSA Document #08-764, 20091216-IR-32708764SNA (hereinafter, the "Antidegradation Rules"). The Indiana Water Quality Coalition ("IWQC") is a group of businesses with shared interests in Indiana regulations, policies, and operating procedures concerning water quality. The Indiana Manufacturers Association ("IMA") is a voluntary, non-profit trade association representing nearly 2,000 companies and 600,000 manufacturing jobs. Each of these entities (collectively, the "IWQC and IMA") has members or facilities in Indiana that will be considerably impacted by the adoption of rules concerning antidegradation standards and implementation procedures.

The Antidegradation Rules contain a number of revisions to the current Indiana water quality standards rules that will have added annual costs on the regulated community. Some of these revisions will result in significant changes in facility operations, and cause severe restrictions to or even prohibit new and increased discharges that will have minimal impact on water quality. These changes will impose additional compliance costs beyond what the federal government requires, and could adversely impact economic growth and employment in the State. We have estimated that the annual cost of complying with the Antidegradation Rules will very likely be between \$3,034,200 and \$9,920,000 without consideration of the added cost for waste disposal in the electric utility sector. Should the added cost be incurred for these waste disposal issues, the cost would easily be in the range of an additional \$65,000,000 based on one company's actual experience, so the added cost could easily total \$74,920,000. These costs do not reflect many of the cost implications for municipal discharges and the industries that utilize them.

Despite these significant cost impacts, we believe that there will be little environmental benefit from some of the new requirements. Therefore, we urge IDEM and the Board to consider, for each proposed regulatory change, whether the change is truly necessary and whether its benefits justify the resulting social and economic impacts. We also want to make sure that everyone understands that compliance is good for business in Indiana and helps us earn and preserve the trust and respect of our customers, stakeholders, and community.

The comments and suggestions below highlight issues particularly important to the IWQC and IMA. If you have any questions or need additional information on any issue raised in the comment, please contact me by email (pbennett@imaweb.com) or by phone (317) 713-5918.

I. Fiscal Analysis Estimates

Case Example A: For new or increased discharges to an ONRW (exemption demonstration only allowed for short-term, temporary discharges of non-BCCs) (327 IAC 2-1.3-4(a))

To meet requirements of 327 IAC 2-1.3-4(a), applicants must submit information describing the short-term activity and provide documentation and calculations demonstrating that any lowering of water quality will be short-term and minimal.

Step 1

We believe that applicants will have to perform a demonstration similar to a de minimis evaluation to demonstrate no appreciable lowering of water quality.

Situation 1

If the applicant is choosing to discharge a pollutant that has established water quality criteria, estimates for this step may be simple where a de minimis calculation for a discharge goes to a stream that under low flow conditions has a no flow (i.e. 7Q10 flow of zero). Assuming this case, we estimate that this would cost about \$900 assuming there is a water quality standard for a pollutant. If no water quality criteria were available, a Tier II value would have to be generated; this would entail looking for ecological information from material safety data sheets or in the published literature, checking data quality and applying applicable safety factors to the data to derive a value. This would typically add an additional \$300 to this step.

Situation 2 For requirements of 327 IAC 2-1.3-4(a), applicants must submit information and provide documentation and calculations demonstrating that

Where dilution calculations are involved, there is usually more information that needs to be assessed, including evaluating effluent and receiving water hydraulics. Estimates to find and or collect the data and evaluate no appreciable lowering of water quality has been estimated to be approximately \$7,500 according to a consulting firm that has performed evaluations in Indiana and several other states.

Situation 3

Since there is no clear definition of "pollutants of concern," some consultants have been recommending comprehensive analysis, including receiving water data for a suite of pollutants found in a NPDES Form 2C application. We believe that this is a valid statement as IDEM only samples a small subset of the total waterbodies in Indiana. The cost to generate a data set of three samples at one location near the discharge is estimated at \$18,000. This cost estimate includes establishing a sampling plan, providing a

sampling crew, travel expenses, collecting samples, and providing laboratory analysis. Unless IDEM supplies a recommended set of default benchmark values for waterbodies that it does not sample, this cost should be assumed appropriate for a fiscal analysis.

Step 2

After one or all of the methods above have been utilized to evaluate that there is no appreciable lowering of water quality, the applicant still has to prepare a comprehensive documentation package to IDEM. The cost estimate provided by a consultant for this activity is \$12,000.

Conclusion

Pursuant to the rule requirements, public notice is not required; and therefore costs to respond to comments have not been included. Given the information above, the estimated cost range for a single regulated discharge change could be from \$13,200 to \$37,500. Since there are no ONRWs designated in Indiana, the current fiscal impact of this requirement is \$0.

Case Example B: Cost estimate for new or increased discharges to HQW or OSRW for Non-BCCs (327 IAC 2-1.3-4(b)(1)) for demonstrating discharges do not significantly lower water quality or are short-term and temporary.

To meet requirements of 327 IAC 2-1.3-4(b)(1), applicants will have to submit information describing the short-term activity and will need to provide back-up documentation and calculations demonstrating that any lowering of water quality is not significant or is short term and temporary.

Step 1

We believe that applicants will have to perform a demonstration similar to a de minimis evaluation to demonstrate no appreciable lowering of water quality.

Situation 1

If the applicant is choosing to discharge a pollutant that has established water quality criteria, estimates for this step may be simple where a de minimis calculation for a discharge goes to a stream that under low flow conditions has a no flow (i.e. 7Q10 flow of zero). Assuming this case, we estimate that this would cost about \$900 assuming there is a water quality standard for the pollutant. This cost includes unused loading capacity calculations. If no water quality criteria were available, a Tier II value would also have to be generated. This would entail looking for ecological information from material safety data sheets or in the published literature, checking data quality and applying applicable safety factors to the data to derive a value. This would typically add an additional \$300 to this step.

Situation 2

Where dilution calculations are involved, there is usually more information that needs to be assessed including evaluating effluent and receiving water hydraulics. Estimates to find and or collect the data and evaluate no appreciable lowering of water quality has been estimated to be approximately \$7,500 according to a consulting firm with more than 20 years of experience in wastewater and water quality management issues supporting NPDES and industrial pretreatment permitting in Indiana and several other states. This cost includes additional costs to calculate unused loading capacity.

Situation 3

Since there is no clear definition of "pollutants of concern," some consultants have been recommending comprehensive analysis, including receiving water data for a suite of pollutants found in a NPDES Form 2C application. We believe that this is a valid statement as IDEM only samples a small subset of the total waterbodies in Indiana. The cost to generate a dataset of three samples at one location near the discharge is estimated to cost \$18,000. This cost estimate includes establishing a sampling plan, providing a sampling crew, travel expenses, collecting samples and providing laboratory analysis. Unless IDEM supplies a recommended set of default benchmark values for waterbodies that it does not sample, this cost should be assumed appropriate for a fiscal analysis.

Step 2

After one or all of the methods above have been utilized to evaluate that there is no appreciable lowering of water quality, the applicant still has to prepare a comprehensive documentation package to IDEM. The cost estimate provided by a consultant according to a consulting firm with more than 20 years of experience in wastewater and water quality management issues supporting NPDES and industrial pretreatment permitting in Indiana and several other states for this activity is \$12,000.

Conclusion

Given the information above and assuming no public notice or public meeting is required by the applicant, the estimated cost range for a single regulated discharge change would be between \$13,200 to \$37,500.

According to the United States Environmental Protection Agency (US EPA) Permit Compliance System (PCS), IDEM manages 1,844 discharge permits. This number includes some general permits and pretreatment permits that IDEM is required to issue. For purposes of this analysis, these permits were categorized as follows:

- 1,243 NPDES permits, excluding general, pretreatment, and animal operation permits
 - 465 NPDES Permits for Cities and Towns with SIC 4952
 - 95 Semi-public facilities with SIC 6512
 - 51 Mining SIC 1221
 - 29 Electric Service Facilities with SIC 4911
 - 25 Chemical and Allied Products with SIC 2811-2899
 - 23 NPDES Permits for animal feeding operations
- 315 NPDES General Permits (does not include most stormwater permits)
- 266 Pretreatment permits
- 20 Other NPDES permits

Based on data provided from coalition members from 2003 to 2009, industrial facilities in the electric utilities and chemical and allied products sectors on average request IDEM to review and approve at least two water treatment additive approvals per industrial facility per year. Given that 54 facilities in Indiana operate in these industry sectors, we estimate that these dischargers would have to submit 108 requests per year for either an exemption approval or a full antidegradation demonstration approval. Given the information above, the total estimated cost for approving these water treatment additives through the antidegradation exemption process is estimated to be between \$1,425,600 to \$4,050,000. These values could be lowered if IDEM would not require this type of review for water treatment additives that only change

in name, but not in formulation or content.

For the past five calendar years, 2009 inclusive, IDEM has received, on average, 49 new NPDES applications each year with actual numbers ranging from a low of 38 to a high of 60. IDEM has received, on average, 56 modification requests annually. This most likely means that the annual estimate of de minimis demonstrations needed by existing discharge permit holders seeking modifications or new applicants could range from a low of 49 (assuming all new permits alone would require supporting de minimis calculations) to a high of 105 (assuming all new permits and permit modifications required a de minimis evaluation). Given the information above the total estimated cost range for approving the issuance of new permits and permit modifications through the antidegradation exemption process is estimated to be from \$646,800 (49 evaluations at \$13,200) to \$3,937,500 (105 evaluations at \$37,500).

We estimate the cumulative annual costs to process 108 water treatment additive approvals and 49 to 105 new or modified permits to range between \$2,074,200 to \$7,987,500.

Case Example C: Financial Impact for preparation of technology exemption demonstration/justification pursuant to 327 IAC 2-1.3-4 (Exemptions from the demonstration requirements and 327 IAC 2-1.3-5 (Exemption Justification)

Information from IDEM was not available on the actual number of new or modified permits that required limits based on definitions and calculations for significantly lowering water quality and demonstrating that sufficient unused loading capacity remained. So, for this analysis we have assumed that only 10% of the 49 to 105 new or modified permits (5 to 10 permits) and 10% of the water treatment additive approval requests per year (11 requests) significantly lowered water quality.

Under proposed 327 IAC 2-1.3-6(d), each discharger may either:

- (1) accept effluent limits for mass and concentration based on the Best Available Demonstrated Control Technology (BADCT), when available, as established by the department; or
- (2) include as part of its antidegradation demonstration application a request for the commissioner's review and approval of an alternative treatment technique analysis that includes submission of the following information:

- (A) The available alternative or enhanced treatment techniques, including new and innovative technologies;
- (B) A review of how the alternative or enhanced treatment techniques available to the applicant would minimize or prevent the proposed significant lowering of water quality;
- (C) The effluent concentrations attainable by employing the alternative or enhanced treatment techniques;
- (D) The costs associated with employing the alternative or enhanced treatment techniques relative to the cost of treatment necessary to achieve effluent limitations based on the de minimis lowering of water quality;
- (E) The alternative or enhanced treatment techniques selected to be employed and an explanation of why those selections were made;
- (F) The reliability of the selected treatment alternative or alternatives, including, but not limited to, the possibility of recurring operational and maintenance difficulties that would lead to increased degradation.

If a discharger accepts effluent limits based on BADCT, it must have conducted some due diligence calculations based the type of treatability evaluation to assume that limitations can be met. For simple parameters such as BOD, COD, TSS and Oil and Grease, conventional technologies may be able to be assessed based on a technology that is widely used within an industry sector. We would expect that a

qualified engineer could provide an evaluation for these parameters for approximately \$3,000 to \$5,000. In situations where a wastestream may not be as readily treatable, a treatability range finding study may need to be conducted to assess removal of soluble and insoluble fractions of pollutants and assess respiration rates. These types of analyses can add an additional \$6,000 to \$10,000 to an evaluation.

For specific types of discharge systems, such as retention basins systems utilized in the mining industry, the average cost of an engineering feasibility to improve treatment typically runs \$50,000 for a single basin. Technology demonstrations in industry sectors, such as Chemical and Allied Products and Electric Service, typically exceed this value.

A consultant with more than 20 years of experience in wastewater and water quality management issues supporting NPDES and industrial pretreatment permitting in Indiana and several other states has estimated that an average cost-effective demonstration would cost \$30,000 for a single discharger to cover the requirements outlined under 327 IAC 2-1.3-6(d). Given this information, we estimate the cost to perform cost-effective technology demonstrations to be \$480,000 to \$630,000 per year.

Case Example D: Preparation of antidegradation demonstration documentation for submittal to IDEM

Under 327 IAC 2-1.3-6(b) every antidegradation demonstration application shall include the following information:

- (1) The pollutants of concern for which the antidegradation application is required.
- (2) The estimated mass and concentration of all pollutants of concern proposed to be discharged.
- (3) The receiving water or waters that would be affected by the new or increased discharge.
- (4) The physical, biological, and chemical conditions of the receiving water or waters as determined by:
 - (A) available information; or
 - (B) additional information, including the results of additional water quality:
 - (i) chemical; or
 - (ii) biological; or
 - (iii) both items (i) and (ii); and this water quality analysis, if requested by the department.
- (5) The estimated magnitude of the proposed lowering of water quality.
- (6) The anticipated impact of the proposed lowering of water quality on aquatic life and wildlife, considering the following:
 - (A) Threatened and endangered species.
 - (B) Important commercial or recreational sport fish species.
 - (C) Other individual species.
 - (D) The overall aquatic community structure and function.
- (7) The anticipated impact of the proposed lowering of water quality considering the following:
 - (A) Human health.
 - (B) The overall quality and value of the water resource.
- (8) The degree to which water quality may be lowered in waters located within the following:
 - (A) National, state, or local parks.
 - (B) Preserves or wildlife areas.
 - (C) OSRWs or ONRWs.
- (9) The effects of lower water quality on the social and economic value of the receiving water or waters considering the following:
 - (A) Recreation, tourism, and other commercial activities.
 - (B) Aesthetics.
 - (C) Other use and enjoyment by humans.

- (10) The extent to which the resources or characteristics adversely impacted by the lowered water quality are unique or rare within the locality or state.
- (11) The cost of the water pollution controls associated with the proposed activity.
- (12) The availability, reliability, cost-effectiveness, and technical feasibility of:
 - (A) nondegradation;
 - (B) minimal degradation; or
 - (C) degradation mitigation techniques or alternatives.
- (13) An analysis of the effluent reduction benefits and water quality benefits associated with the degradation mitigation techniques or alternatives required to be assessed under subdivision (12)(C), including the following:
 - (A) A review of pollution prevention alternatives and techniques that includes the following:
 - (i) A listing of alternatives and techniques, including new and innovative technologies.
 - (ii) A description of how the alternatives and techniques available to the applicant would minimize or prevent the proposed significant lowering of water quality.
 - (iii) The effluent concentrations attainable by employing the alternatives and techniques.
 - (iv) The costs associated with employing the alternatives and techniques.
 - (v) An identification of the pollution prevention alternatives and techniques selected to be employed and an explanation of why those selections were made.
 - (B) An evaluation of the feasibility and costs of connecting to an existing POTW or privately owned treatment works, within the vicinity of the proposed new or increased discharge, that:
 - (i) will effectively treat the proposed discharge; and
 - (ii) is willing to accept wastewater from other entities.
 - (C) For POTWs, if the proposed significant lowering of water quality is a result of a proposed new or increased discharge from one (1) or more indirect dischargers, the analysis shall also include the following:
 - (i) The requirements of clause (A) shall be completed for the indirect discharger or dischargers as well as for the POTW. The POTW may require the indirect dischargers to prepare this information.
 - (ii) If one (1) or more of the indirect dischargers proposes or does discharge to a:
 - (AA) combined sewer; or
 - (BB) sanitary sewer that is connected to a combined sewer;all combined sewer overflows (CSOs) between the point of discharge to the sewer and the POTW shall be identified.
- (14) The availability, cost-effectiveness, and technical feasibility of central or regional sewage collection and treatment facilities, including long-range plans outlined in:
 - (A) state or local water quality management planning documents; and
 - (B) applicable facility planning documents.
- (15) The evaluation of the anticipated impact of the proposed lowering of water quality on economic and social factors, including the following:
 - (A) Creation, expansion, or maintenance of employment.
 - (B) The unemployment rate.
 - (C) The median household income.
 - (D) The number of households below the poverty level.
 - (E) Community housing needs.
 - (F) Change in population.
 - (G) The impact on the community tax base.
 - (H) Provision of fire departments, schools, infrastructure, and other necessary public services.
 - (I) Correction of a public health, safety, or environmental problem.
 - (J) Production of goods and services that protect, enhance, or improve the overall quality of life and related research and development.
 - (K) The impact on the quality of life for residents in the area.
 - (L) The impact on the fishing, recreation, and tourism industries.

- (M) The impact on threatened and endangered species.
- (N) The impact on economic competitiveness.
- (O) Demonstration by the permit applicant that the factors identified and reviewed under clauses (A) through (N) are necessary to accommodate important social or economic development despite the proposed significant lowering of water quality.
- (P) Inclusion by the applicant of additional factors that may enhance the social or economic importance associated with the proposed discharge, such as an approval that:
 - (i) recognizes social or economic importance; and
 - (ii) is given to the applicant by a legislative body or other government officials.
- (Q) Any other action or recommendation relevant to the antidegradation demonstration made by a:
 - (i) state;
 - (ii) county;
 - (iii) township; or
 - (iv) municipality;
 potentially affected by the proposed discharge.
- (R) Any other action or recommendation relevant to the antidegradation demonstration received during the public participation process.
- (S) Any other factors that the commissioner:
 - (i) finds relevant; or
 - (ii) is required to consider under the CWA.

According to a consultant with more than 20 years of experience in wastewater and water quality management issues supporting NPDES and industrial pretreatment permitting in Indiana and several other states, the estimated average cost-effectiveness technology demonstration would cost \$15,000 for a single discharger to cover the requirements outlined under 327 IAC 2-1.3-6(b). To estimate the number of demonstration packages that dischargers will have to submit to IDEM, we have assumed that same number of submissions in Case Example C (16 to 21) will have to be processed. Given this information, we estimate the cost to the regulated community to perform cost-effective technology demonstrations to be \$240,000 to \$315,000 per year.

Case Example E - Public notice activities including responding to comments

A consultant with more than 20 years of experience in wastewater and water quality management issues supporting NPDES and industrial pretreatment permitting and experienced in holding and managing public notice and public meeting activities estimates that the average cost-effective to public notice a meeting, hold a public meeting and to record and respond to comments including staff and travel is estimated to be \$45,000. To estimate the number of public notices and meeting that dischargers will have to hold and manage, we have assumed that same number of submissions in Case Example C (16 to 21) will have to be processed. Given this information, we estimate the cost to the regulated community to perform cost-effective technology demonstrations to be \$720,000 to \$945,000 per year.

Case Example F - Annualized costs associated with the definition of "Best available demonstrated control technology" (BADCT)

Under the definition of "Best available demonstrated control technology" (BADCT) in 327 IAC 2-1.3-2(3)(c) IDEM is automatically requiring "existing source" discharges to upgrade treatment systems to meet "new source" technology based limitations. For example, in Indiana there are three electrical generating facilities that operate fly ash pond systems that are required to meet BPT, BCT, and BAT limitations. An EPA database shows that seven Indiana companies (6 utilities and 1 metal processing operation) have 53 ash ponds. The number of ponds may appear high. This can be explained by the fact that one company is

listed as having one bottom ash and three fly ash ponds, when in fact the fly ash ponds are actually one large impoundment with three interconnected basins. Nonetheless, there are many fly ash ponds in Indiana. One company obtained a cost estimate to convert from fly ash ponds to a landfill.

The cost of conversion was estimated to be \$35,000,000 (converting to dry fly ash handling and building Phase I of a landfill). This does not include the costs for closing out the fly ash ponds or doing anything to the bottom of the fly ash ponds. It also does not include the estimated cost (\$80,000,000) for a new wastewater treatment facility to treat other wastewaters currently going to the fly ash ponds. A second company estimated the differential capital costs and annual operating and maintenance costs for its three facilities to upgrade from BAT to NSPS could be as much as \$90,000,000 and \$84,000,000, respectively. These costs represent the comparative cost of raising a dam to maintain a wet system and expenses of piping. These figures are based on one company's analysis of converting a system in West Virginia. Based on the information provided by these two companies we believe that good conservative (i.e. only addresses requiring a dry ash system and that no other wastewater system has to be constructed) average costs for capital cost and annual operating and maintenance costs are \$32,500,000 and \$28,000,000, respectively.

Given past operational experiences with the air pollution control devices that generate wastewater discharged into these fly ash pond systems, companies change water treatment additives that are used in these systems to efficiently and effectively maintain these systems and treat wastewaters. It is also anticipated that changes in air pollution control laws will impact these units and cause changes in the characteristics of wastewaters managed in these units. Therefore, it is highly likely that at least one of these "existing source" systems could be required to demonstrate meeting a no discharge standard that is being proposed by U.S. EPA for "new sources." Based on the information provided above, we believe that good conservative (i.e. only addresses requiring a dry ash system and that no other wastewater system has to be constructed) average costs for capital cost and annual operating and maintenance costs are \$32,500,000 and \$28,000,000, respectively, will be required at a facility in the Electric Services Sector. We also believe that many other wet scrubber systems used in many other sectors will be faced with this same situation.

To reduce financial burdens on the regulated community, 327 IAC 2-1.3-2(3)(C) should be modified to state that a direct discharger subject to categorical guidelines should meet, where applicable: best conventional pollution control technology (BCT), best available technology economically achievable (BAT), best practicable control technology currently available (BPT) or new source performance standards (NSPS).

Case Example G: Financial Impact for preparation of a water quality improvement application for new or increased discharges to an Outstanding State Resource Water (OSRW) under 327 IAC 2-1.3-8

To meet the requirements of 327 IAC 2-1.3-8, a discharger to an OSRW is required to apply for a water quality improvement project application or pay a one-time fee up to \$500,000 to a designated fund. If a discharger wants to pursue a water quality improvement project, it must provide information required for an antidegradation demonstration application (see Case Example D) plus additional information as required pursuant to 327 IAC 2-1.3-8 (Water Quality Improvement Project Application). Pursuant to the requirements of 327 IAC 2-1.3-8(A)(ii) and (iii), the discharger is required to provide sufficient information to demonstrate that the project will result in an overall improvement in water quality and that the data used be less than seven years old and specific to the OSRW. For this evaluation, a consultant has assumed data readily available. Public notice is also required and should also be included as well as costs associated with responding to comments with outside legal support.

A consultant with more than 20 years of experience in wastewater and water quality management issues supporting NPDES and industrial pretreatment permitting, has experience in antidegradation demonstrations and has worked on water quality improvement projects in several states estimates that an average cost to prepare a water quality improvement project and its application to IDEM to be approximately

\$82,500 (\$45,000 to prepare the project and \$37,500 to prepare an application). In addition, since a project of this nature would be expected to have significant public participation, the anticipated costs to holding a public meeting and address all comments is estimated to be \$90,000.

Since the IWQC and IMA are only aware of two requests to renew or change NPDES permits that discharge to OSRWs, we believe that these costs will be infrequent. Therefore, we estimate that only one of these situations may arise every five years. Given this, we expect that the annual average cost to the regulated community could be from \$0 to \$172,500 to address water quality improvement project applications, submissions, and public participation. We would expect that a regulated party may also end up paying up to \$500,000 in one year to fund a water quality improvement project.

Estimated Cumulative Annual Cost

The estimated cumulative annual cost to the regulated community is the sum of the cost ranges presented in Case A through F in the comments above. The can be summarized as follows:

- Case A - \$0 to \$0 (ONRW short-term, temporary requests)
- Case B - \$2,074,200 to \$7,987,500 (de minimis and significantly lowering calculations)
- Case C - \$240,000 to \$315,000 (antidegradation demonstration submissions)
- Case D - \$720,000 to \$945,000 (cost-effective technology demonstrations)
- Case E - \$0 to \$65,000,000 (automatic new source requirement for fly ash ponds)
- Case F - \$0 to \$172,500 (project applications; submissions costs)
- \$0 to \$500,000 (water quality improvement project or fee)

We have estimated that the annual cost of complying with the Antidegradation Rules will very likely be between \$3,034,200 and \$9,920,000 without consideration of the added cost for waste disposal in the electric utility sector. Should the added cost be incurred for these waste disposal issues, the cost would easily be in the range of an additional \$65,000,000 based on one company's actual experience, so the added cost could easily total \$74,920,000.

CONCLUSION

The IWQC and IMA appreciate the opportunity to provide these comments. As demonstrated above, the Antidegradation Rules are expected to create a significant financial impact on the regulated community and IDEM. We want to continue to remind IDEM of the need to revise these rules to comply with the rulemaking requirements under I.C. § 4-22-2-19.5(a) on minimizing expenses on regulated entities by requiring compliance in the least restrictive manner, ease of comprehension, and allowing for practical implementation and enforcement. We would encourage IDEM Office of Water Quality to prepare comprehensive implementation guidance with practical information to guide the regulated community through the antidegradation process. So far, the States of Ohio and Missouri have prepared forms and guidance that could aid IDEM in preparing a complete fiscal impact assessment that we believe should be presented to the Water Pollution Control Board. Incorporating the IWQC and IMA's calculations, comments, and suggestions set forth above will help IDEM, the regulated community, and other interested parties better understand reasonable expectations and prevent frivolous activities that could impede applicants' efforts to obtain permits and interfere with compliance.

Again, if you have any questions or comments, please contact me at pbennett@imaweb.com or at (317) 713-5918.

Sincerely,
Patrick K. Bennett